



23 August 1955

MEMORANDUM FOR:

SUBJECT: PCG Functions and PCG Budget

1. The minutes of the 10 August meeting disclosed that two subjects were discussed: (a) how the PCG should function and (b) a six months budget (1 August 1955 to 31 January 1956).
2. The matter of functions is covered in a memorandum by Mr. Rockefeller dated August 9, 1955. DCI objected to certain language pertaining to CIA activities and sent Gen. Parker a memorandum of 18 August suggesting corrections to the Rockefeller memorandum. I presume that there is no further action on this matter pending receipt of a redraft from Gen. Parker.
3. On the question of the Budget Mr. Rockefeller presented the Director with a budget estimate of \$147,333 for six months which, according to the minutes, was to be considered by CIA and Defense on the basis of two-thirds being borne by CIA and one-third by Defense. It was understood, Gen. Parker informed me, that upon the return of Congress in January an effort will be made to obtain a separate appropriation for PCG.
4. DCI informed Gen. Cabell by telephone August 19: (a) that he did not favor perpetuating the practice of CIA paying two-thirds of the costs for PCG, (b) that he did not favor a costly proposal for a graphic situation room provided in the budget, (c) but, if the PCG has urgent need for funds, he was prepared to authorize \$25,000, provided Defense authorizes similar amount, to finance PCG during the period necessary to decide the larger questions. From my conversation with Mr. Sullivan I believe Defense will go along with this suggestion.
5. Mr. Rockefeller will be in Washington August 25 and 26 but away thereafter until mid-September.

6. It is suggested that Gen. Cabell telephone Mr. Rockefeller on 25 or 26 August and advise him that DCI has some reservations concerning portions of the proposed budget as well as the apportionment of the contribution to the budget. These should be held over for discussion after the return of Mr. Rockefeller and the Director. Meanwhile we are prepared to advance \$25,000, provided Defense will furnish a similar amount, to cover expenses pending resolution of the other questions. Mr. Wisner agrees with this recommendation.

7. Mr. Saunders is prepared on DDCI's authorization to provide this amount.

8. Mr. Sullivan of Defense would like to be informed of our action.



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